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ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART 111

SEC FILE NUMBER
8- 67126

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

**Holbrook Capital, LLC**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY

FIRM I.D. NO.

**2 Penn Plaza, Suite 1910**

(No. and Street)

**New York**

**NY**

**10121**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**David Holbrook**

**(212) 292-4927**

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in the Report\*

**Rubio CPA, PC**

(Name - if individual, state last, first, middle name)

**2120 Powers Ferry Road, Suite 350**

(Address)

**Atlanta**

(City)

**Georgia**

(State)

**30339**

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**MAR 21 2008**

**THOMSON  
FINANCIAL**

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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

I, David Holbrook, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Holbrook Capital, LLC, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Edna Vega  
Notary Public

David Holbrook  
Signature  
President  
Title

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17z-5(e)(3).**

EDNA VEGA  
Notary Public, State of New York  
No. 01VE4092368  
Qualified in New York County  
Commission Expires March 30, 2011

**HOLBROOK CAPITAL LLC**  
**Financial Statements**  
**For the Year Ended**  
**December 31, 2007**  
**With**  
**Independent Auditor's Report**

**INDEPENDENT AUDITOR'S REPORT**

To the Owner  
Holbrook Capital LLC

We have audited the accompanying balance sheet of Holbrook Capital LLC, as of December 31, 2007 and the related statements of operations, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Holbrook Capital LLC, as of December 31, 2007 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the Schedules I, II, III and IV is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 20, 2008  
Atlanta, Georgia



RUBIO CPA, PC

**HOLBROOK CAPITAL LLC**  
**BALANCE SHEET**  
**DECEMBER 31, 2007**

ASSETS

	<u>2007</u>
Cash and cash equivalents	\$ 30,371
Prepaid expenses	1,250
Other assets	<u>8,700</u>
Total assets	<u>\$ 40,321</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Accounts payable	\$ 11,935
Accrued payroll taxes and withholdings	<u>1,972</u>
Total liabilities	13,907

MEMBER'S EQUITY

	<u>26,414</u>
Total liabilities and member's equity	<u>\$ 40,321</u>

The accompanying notes are an integral part of these financial statements.

**HOLBROOK CAPITAL LLC**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2007**

	<u>2007</u>
REVENUES	
Investment banking income	\$ 600,000
Other	<u>35,000</u>
	635,000
 GENERAL AND ADMINISTRATIVE EXPENSES	
Employee compensation and benefits	291,936
Occupancy	45,699
Other operating expenses	<u>126,977</u>
	<u>464,612</u>
 NET INCOME	 <u><u>\$ 170,388</u></u>

The accompanying notes are an integral part of these financial statements.

**HOLBROOK CAPITAL LLC**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2007**

	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 170,388
Adjustments to reconcile net income to net cash used by operations:	
Increase in prepaid expenses and other assets	(9,000)
Increase in accounts payable and accrued expenses	9,175
Decrease in accounts receivable	<u>31,276</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES:	201,839
 CASH FLOWS FROM FINANCING ACTIVITIES	
Distributions to owner	<u>(200,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	(200,000)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	1,839
 CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>28,532</u>
End of year	<u>\$ 30,371</u>

The accompanying notes are an integral part of these financial statements.

**HOLBROOK CAPITAL LLC**  
**STATEMENT OF CHANGES IN MEMBER'S EQUITY**  
**For the Year Ended December 31, 2007**

	<u>Contributed Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance, December 31, 2006	\$ 105,000	\$ (48,974)	\$ 56,026
Net income		170,388	170,388
Distributions to owner	<u>                    </u>	<u>(200,000)</u>	<u>(200,000)</u>
Balance, December 31, 2007	<u>\$ 105,000</u>	<u>\$ (78,586)</u>	<u>\$ 26,414</u>

The accompanying notes are an integral part of these financial statements.



**HOLBROOK CAPITAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Description of Business: The Company is a registered broker dealer organized under the laws of the state of New York that began business in April 2005. The Company is registered with the Securities and Exchange Commission, the National Association of Securities Dealers and the securities commissions of appropriate states. The Company's primary business is investment banking services.

Cash and Cash Equivalents: The Company considers all cash and money market instruments with a maturity of ninety days or less to be cash and cash equivalents.

The Company maintains its bank accounts in high credit quality institutions. Deposits at times may exceed federally insured limits.

Income Taxes: The Company is taxed as a sole proprietorship. Therefore the income or losses of the Company flow through to its owner and no income taxes are recorded in the accompanying financial statements.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**NOTE B – NET CAPITAL**

The Company, as a registered broker dealer is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2007, the Company had net capital of \$16,464, which was \$11,464 in excess of its required net capital of \$5,000 and its ratio of aggregate indebtedness to net capital was .84 to 1.0.

**HOLBROOK CAPITAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE C – LEASES**

The Company leases office space under a lease that expires in October 2008. Rent expense for 2007 was approximately \$46,000.

**NOTE D – CONCENTRATIONS**

Substantially all revenues earned during 2007 were from two customers.

**NOTE E – RETIREMENT PLAN**

The Company has adopted a 401(k) plan covering substantially all employees. Company contributions to the plan are discretionary. There were no discretionary contributions for 2007.

## SUPPLEMENTAL INFORMATION

**SCHEDULE I**  
**HOLBROOK CAPITAL LLC**

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION ACT OF 1934  
AS OF DECEMBER 31, 2007

NET CAPITAL:

Total member's equity	<u>\$ 26,414</u>
Less nonallowable assets	
Prepaid expenses	(1,250)
Other assets	<u>(8,700)</u>
	(9,950)
Net capital before haircut	16,464
Less haircuts	<u>-</u>
Net capital	16,464
Less required net capital	<u>(5,000)</u>
Excess net capital	<u>\$ 11,464</u>
Aggregate indebtedness	<u>\$ 13,907</u>
Percentage of aggregate indebtedness to net capital	<u>84%</u>

RECONCILIATION WITH COMPANY'S COMPUTATION OF NET CAPITAL INCLUDED  
IN PART IIA OF FORM X-17A-5 AS OF DECEMBER 31, 2007

Net capital as reported in FOCUS Part IIA	\$ 26,359
Audit adjustment to record additional accounts payable	<u>(9,895)</u>
Net capital as reported above	<u>\$ 16,464</u>

**HOLBROOK CAPITAL LLC**

**SCHEDULE II  
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2007**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

**SCHEDULE III  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION  
AS OF DECEMBER 31, 2007**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(i) of the rule.

**SCHEDULE IV  
STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS AND GENERAL CREDITORS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

The broker dealer had no subordinated liabilities during 2007.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL  
REQUIRED BY RULE 17a-5

To the Owner  
Holbrook Capital LLC

In planning and performing our audit of the financial statements of Holbrook Capital LLC, for the year ended December 31, 2007, we considered its internal control structure, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including test of compliance with such practices and procedures) followed by Holbrook Capital LLC, that we considered relevant to the objective stated in Rule 17a-5(g). We also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedure for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company related to the following: (1) in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13; (2) in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System; and (3) in obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the commission's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure that we consider to be material weaknesses as defined above.

In addition, no facts came to our attention indicating that the exemptive provision of Rule 15c3-3 had not been complied with during the year.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the Commission's objectives.

This report recognizes that it is not practicable in an organization the size of the Company to achieve all the division of duties and cross-checks generally included in a system of internal accounting control, and that alternatively, greater reliance must be placed on surveillance by management.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

February 20, 2008  
Atlanta, Georgia



RUBIO CPA, PC

END